



Senior Level Steering Group Senior Assessment Team



FY 2011, 1st Quarter Meeting

Thursday, October 28, 2010

1330-1430

Pentagon Conference Center M3



Agenda

- AR 11-2 (Managers' Internal Control Program) Rapid Action Revision
- Computer Based Training for the Managers' Internal Control Program
- American Recovery and Reinvestment Act (ARRA) Quarterly Requirements
- FY 10 Statement of Assurance Review
- FY 10 Material Weakness Recap
- FY 11 Schedule of Upcoming Events
- FY 11 Milestones Schedule for Material Weaknesses



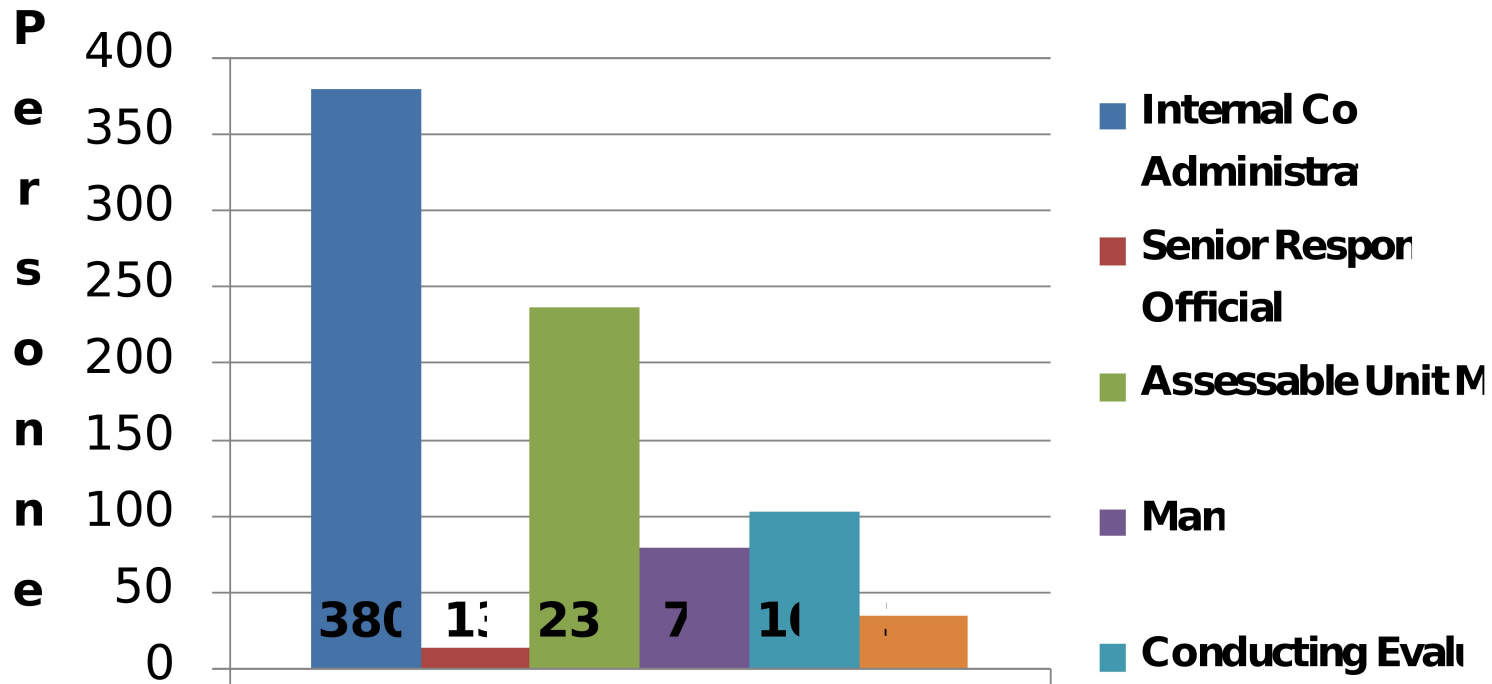
AR 11-2

- Rapid Action Revision to AR 11-2
 - Adds policy on internal control over financial systems (ICOFS) throughout
 - Introduces new terminology, internal control over nonfinancial operations (ICONO), as outlined in DODI 5010.40 throughout.
 - Encourages functional proponents to use the rapid action revision process (AR 25-30) to add new or update existing evaluations
 - Assigns responsibility for internal control over financial systems (ICOFS) certification to OASA(FM&C), Directors of Audit Readiness and Financial Information Management and Commanding General, U.S. Army Corps of Engineers
 - Adds definition for integrated financial management systems (IFMS)
 - Adds definitions for internal controls over financial systems (ICOFS) and internal control over nonfinancial operations (ICONO)
 - Makes administrative changes throughout
- Inventory of Internal Control Evaluations



MICP Computer-Based Training (CBT) Modules

Personnel Completing MICP CBT Modules





ARRA

- Risk Assessment/Gap Analysis and Risk Profile Quarterly Requirements
 - Requirements began in FY09 – 3 deliverables
 - Risk and Gap Analysis for each program by Treasury Appropriation Fund Symbol (TAFS)
 - Risk Profile Document for each program by TAFS
 - Risk Mitigation Strategy for each program by TAFS (if risk assessment and profile indicate need)
 - Initial submission of deliverables completed by 4th Qtr FY 09 - updates are required on a quarterly basis
 - Submitted updates for 4 quarters in FY 2010
 - Updates to continue for FY 2011



FY 10 Statement of Assurance (SOA) Review

- Overall improvement in SOA timeliness and format
- ACOM/ASCC/DRUs (17 reporting organizations)
 - 14 submitted on time
 - 3 submitted late
 - 17 had correct format and content
- HQDA Staff (27 reporting organizations)
 - 24 submitted on time
 - 3 submitted late
 - 21 had correct format and content
 - 6 had incorrect format or content
- Will contact Internal Control Administrator to review recommendations for improvement



FY 10 ASOA Review

- Statement of Assurance Form
 - Cover memorandum with two statements of assurance - Internal Controls over Non financial Operations (ICONO) and Internal Controls over Financial Reporting(ICOFR)
 - Statement must take one of three forms:
 - Unqualified (no material weaknesses)
 - Qualified (one or more material weaknesses)
 - No assurance (pervasive systemic weaknesses)
- Statement of Assurance Content
 - Tab A (narrative components)
 - The basis for reasonable assurance
 - Leadership emphasis
 - Training
 - Execution
 - Issues and accomplishments
 - Tabs B-F Material Weakness descriptions and milestones



FY10 Recap

- Material weaknesses carried over from prior year (FY10)
 - 4 Internal Control over Nonfinancial Operations (ICONO)
 - Expeditionary Contracting
 - Oversight of Service Contracts
 - Reporting of New Equipment in Transit
 - Logistics Asset Visibility and Accountability
 - 24 Internal Control over Financial Reporting (ICOFR)
- 1 new material weakness opened FY10 (ICONO)
 - Reporting Accurate Obligations for the Permanent Change of Station (PCS) Program



FY11 Schedule of Upcoming Events

	DATE	EVENT	OPR
✓	Wednesday, October 20, 2010	MICP VTC	SAFM-FO
	Thursday, October 28, 2010	1Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
	Monday, December 13, 2010	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
	Tuesday- Wednesday January 5-6 2011	OSD FY10 MICP Training Conference (Navy Yard)	OSD-Comptroller
	Tuesday, January 11, 2011	MICP VTC	SAFM-FO
	Thursday, January 13, 2011	2Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
	Monday, March 14, 2011	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
	Wednesday, April 13, 2011	MICP VTC	SAFM-FO
	Thursday, April 21, 2011	3Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG



FY11 Schedule of Upcoming Events

DATE	EVENT	OPR
Monday, May 16, 2011	Annual statements from Army Commands (ACOMs), Army Service Component Commands (ASCCs) and Direct Reporting Units (DRUs) due to OASA (FM&C)	Commands
Tuesday, May 31, 2011	Annual statements from HQDA Principals due to OASA (FM&C)	HQDA Principal Staff
Monday, June 13, 2011	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
Wednesday, June 22, 2011	MICP VTC	SAFM-FO
Monday, June 20, 2011	Draft Army statement delivered to HQDA SLSG/SAT members for coordination	SAFM-FO
Wednesday, June 29, 2011	HQDA SLSG/SAT member comments on draft Army statement due to OASA (FM&C)	HQDA Principal Staff
Thursday, June 30, 2011	Component SAT Memorandum includes information pertaining to Process Flows, Narratives and Risk Assessments and states documentation is ready for review	SAFM-FO
Thursday, July 14, 2011	4Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
Friday, August 19, 2011	Final signed Army statement delivered to the Secretary of Defense (Due 1 Sep 2011)	SAFM-FO
Monday, September 12, 2011	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO



Expeditionary Contracting

Description: The Army's acquisition workforce is not adequately staffed, trained, structured, or empowered to meet the Army needs. The contracting process is not treated as a core competency. Audit reports conclude that internal controls to mitigate risks in the contracting process are ineffective or

Date	Task Description	nonexistent.	OPR	Status
3 rd Qtr FY 09	Conduct Unit Self Inspection utilizing the Management Control Evaluation Checklist		ASA(ALT)	Done. AFARS rewritten. Appendix BB now includes internal control checklists for use by units. Conducted representative unit sample to validate checklist.
3 rd Qtr FY 10	Identify subtasks to resolve material weakness and lay out milestone schedule for their completion		ASA(ALT)	Done. Subtasks identified, and milestones established.
4 th Qtr FY 10	Ongoing Independent Review (IR) /Program Management Review team compliance reviews		ASA(ALT)	Reviews ongoing 4 th Qtr FY10 through 1 st Qtr FY14.
3 rd Qtr FY 11	Review and assess corrective action progress for prior FY. Validate subtask completion for accuracy and completeness. Request IR validation of subtask completion.		ASA(ALT)	
3 rd Qtr FY 12	Review and assess corrective action progress for prior FY. Validate subtask completion for accuracy and completeness. Request IR validation of subtask completion.		ASA(ALT)	
4 th Qtr FY 13	Request USAAA audit		DASA(P)	Request to be made 6 to 9 months prior to internal review completion.
2 nd Qtr FY14	USAAA validation audit commences		USAAA	
3 rd Qtr FY 14	USAAA provides audit results.		USAAA	
3 rd Qtr FY 14	Material weakness is closed.		ASA(ALT)	
Targeted Correction Date : 3 rd Qtr FY14				



Oversight of Service Contracts

Description: Inadequate oversight. Corrective Measures focus on training, appointment of Contracting Officers Representatives, preparation of plans and conduct of surveillance.

Date	Task Description	OPR	Status
2 nd Qtr FY10	Leadership Focus Message	ASA(ALT)	Chief of Staff of the Army memo issued to ensure compliance by all of the Army
26 Apr CY10	Develop revised corrective action taskers and milestones	ASA(ALT)	Action Complete
3 rd Qtr FY10	AR 70-13 on Management and Oversight of Service Contracts	ASA(ALT)	Army Publishing published document 31 July 10.
1 st Qtr FY11	Finalize guidance and management tools associated with establishing a centralized COR database and COR policy that mirrors draft COR DoDI	ASA(ALT)	OSD finalizing COR Tracking Tool guidance. This policy addresses this task. Army will issue supplemental guidance
1 st Qtr FY11	Issue QASP policy guidance and training resources to contracting community to work towards correcting QASP portion of material weakness	ASA(ALT)	In process of finalizing materials for issuance
1 st Qtr FY11	Contracting Office Compliance Reviews	ASA(ALT)	Work to begin
1 st Qtr FY11	Assess COR compliance. Continue to monitor	ASA(ALT)	Work to begin
3 rd QtrFY11	Assess QASP compliance. Continue to monitor	ASA(ALT)	Work to begin
4 th Qtr FY11	Request AAA audit	AAA	
	AAA conduct audit		
	Targeted Correction Date (Tentative):	2nd Qtr FY	



Reporting of New Equipment In-Transit

Description: The U.S. Army lacks internal controls to adequately monitor the shipment and receipt of equipment through the Supply System resulting in unreliable data on the value reported on the U.S. Army's financial statements. This error makes it difficult to gain visibility over the total number of major items, determine maintenance requirements, and redistribute equipment. AAA and G4 restructured the weakness in 2008 to address just Total Package Fielding (TPF) transactions to track equipment in-transit from the Program Management office to the unit.

Date	Task Description	OPR	Status
January 2008	USAAA Closed the Financial Reporting of Equipment In-Transit Audit Report AA 96-156 Material Weakness and DA-G4 Re-scoped a New Material Weakness to Focus on Total Package Fielding In-Transits		Background
4 th Qtr FY 08			Background
2 nd Qtr FY 09	Developed Flowchart Detailing Equipment In-Transit Process; Revised AR 710-2 to Include Metrics for Closeout of In-Transit Records; Modified Command Supply Discipline Program Checklist to Include the Metrics	G-4	Complete
2 nd Qtr FY 10	Process retesting (Tollgate Control - Transition Brief: 19 October 09) APR 09 Submitted ECP for PBUSE to pull D6S (Receipt Documents); Converted to DRA and Inputted into DAS to Feed CCSS to Close Open	G-4	Complete
3 rd Qtr FY 10	Transactions; Actions Being Input into LMP to Ensure Closure of In-Transit Transactions. Initial Pilot Test Results Show an Improvement From 16% Closure Rates to 90% Closure Rates. Request USAAA Validation and Closure Following Tollgate Review AAA conducted entrance brief with key players for audit validation. AAA could not close the weakness based on their findings;	AAA	Completed w/o resolution



Reporting of New Equipment In-Transit (Con't)

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transit from the Program Management office to the unit.			
Date	Task Description	OPR	Status
4 rd Qtr, FY 10	Revised milestones with target date 3 rd Qtr, FY 10 changed to 3 rd Qtr, FY 12	AMC/Army G-4	Completed
1 st Qtr, FY 11	LMP TPF Document creation/generation developed and fielded to the LCMCs.	AMC/Army G-4	Open
2 nd Qtr, FY 11	Develop management control process for validation of manual closure of LMP TPF documents. Investigate design for an automated fix.	AMC/Army G-4	Open
3 rd Qtr, FY 11		AMC/Army G-4	Open
4 rd Qtr, FY 11	Monitor manual closure of TPF documents in LMP.	AMC/Army G-4	Open
	Map the financial process for in transits from LMP and PBUSE/GCSS-Army to GFEBS.	ASA-FMC/AMC Army G-4	Open
2 nd Qtr, FY 12	Test the financial reporting of equipment from LMP and PBUSE/GCSS-Army to GFEBS.	ASA-FMC/AMC Army G-4	Open
3 rd Qtr, FY 12	USAAA validates closure of weakness for the financial reporting of equipment in transit of major end item new equipment fielding.	AAA	Open
Targeted Correction Date: 3rd Qtr FY 12			



Logistics Asset Visibility and Accountability



Description: DOD does not have adequate visibility over all equipment and supplies transported to, within, and from the theaters of operations in support of OIF.

Date	Task Description	OPR	Status
	RE: GAO letter dated 18 DEC 03, Subject: Defense Logistics Observation on the Effectiveness of Logistics Activities During OIF, (GAO-04-305R).	Army G-4	
4 th Qtr FY 04	DOD memorandum, dated 30 Jul 04, mandated the use of active Radio Frequency Identification (RFID) tags on all container shipments.	DUSD	Completed
FY 04 - present	Installation of RF ITV infrastructure; RFID read/write sites (currently over 8K)	PM J-AIT/ArmyG-4	Completed
	-Established RF ITV Server (National, Europe, SWA, Pacific) to track assets	PM J-AIT/ArmyG-4	Completed
	-RFID integrated into Standard Army Retail Supply System (SARSS)	Army G-4	Completed
2 nd Qtr FY 06	-Fielding of TC AIM II, PBUSE, Portable Deployment Kits/Movement Tracking System Plus to read/write active RFID tags	Army G-4	Completed
		CENTCOM J-4	Completed
2 nd Qtr FY 07- 4 th Qtr FY 08	CENTCOM regulation 700-4, Subject: Logistics Automatic Identification Technology and ITV, dated 23 Jan 06.	Army G-4	Completed
2 nd Qtr FY 09	Army published AR 56-4; Distribution of Materiel and Distribution Platform Management, dated Mar 07. AR 700-80; Army In-Transit Visibility, dated Aug 08.	Army G-4	Completed
2 nd Qtr FY 09	On 5 Feb 09 Army G4 Directorate (DALO-FPDZ) requested AAA (SAAG-ALZ) validate corrective actions and close the materiel weakness.	CENTCOM/ ARCENT/Army G-4	Completed
	CENTCOM/ARCENT and Army G4 published message/guidance of using and attaching Container Intrusion Detection Device (CIDD) active RFID tags on unit move containers deploying/redeploying to and from AOR.		
	•Above policy, technology, training, and information provides adequate visibility and accountability of Army's materiel.		

Targeted Correction Date: 4th Qtr FY 11



Logistics Asset Visibility and Accountability (Con'



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Date	Task Description	OPR	Status
	RE: GAO letter dated 18 Dec 03, Subject: Defense Logistics Observation on the effectiveness of Logistics Activities During OIF, (GAO-04-305R).	Army G-4	
2 nd Qtr FY 10			Completed
	Met with AAA to discuss closure of materiel weakness: Army to submit memo to AAA asserting corrective actions.	Army G-4	
2 nd Qtr FY10		Army G-4	Completed
	Conducting internal coordination/staffing of memo to AAA for closing materiel weakness, anticipate signature 19 Apr 2010.		
3 rd Qtr FY 10		Army G-4	Completed
	Memo 'asserting corrective actions' completed and forwarded to AAA for closing materiel weakness.		
4 th Qtr FY 10		AAA	On going
	AAA begins assertion and validation for closure of materiel weakness.		
1 st Qtr FY 11		Army G4	Open/On track
	Complete AAA validation of Army In-transit visibility systems, policies and procedures.		
Targeted Correction Date: 4th Qtr FY 11			



Reporting Accurate Obligations for the Permanent Change of Station (PCS) Program

Description: An automated solution does not currently exist to obligate PCS orders when issued (a DoD FMR and fiscal law requirement) with reliable cost estimates and to reconcile obligations with disbursements. This situation makes it extremely difficult to ensure adequate funds are available to cover disbursements after fiscal year end close, and as a consequence, the Army is vulnerable to ADA violations.

Date	Task Description	OPR	Status
4 th Qtr FY 10	Identify the PCS program as a material weakness.	ASA(FM&C)	Complete.
4 th Qtr FY 10		G-3	Complete.
4 th Qtr FY 10	Receive IRB/APMS Certification for Department of the Army Mobilization Processing System (DAMPS).	ASA(FM&C), HRC, G-1, G-4, DFAS	Complete.
4 th Qtr FY 10	Reconvene stakeholders involved in the current process to develop interim improvements to the managerial controls that could be implemented while the software solution is being developed.	ASA(FM&C), G-1, HRC	Working. PCS was identified in the SECDEF's initiative to solicit individual ideas that can help DoD achieve savings/ efficiencies as an INVEST initiative. A cost estimate was developed by DASA-CE, G-1 and ABO and submitted. In addition, PCS L6S team and IMCOM TCS team have briefed IMCOM leadership interested in improving the order-writing process at the Military Personnel Divisions (MPDs). Building consensus among stakeholders - briefing new HRC Commander in mid-Nov.
4 th Qtr FY 10	Begin PCS project. Amy will develop a business process and system capable of recording a unique obligation at the time of PCS order issuance. Completion will correct the managerial internal control weakness.	ASA(FM&C), G-1	
4 th Qtr FY 10	Establish a memorandum of understanding with six sites selected for pilot program.	ASA(FM&C)	
	Establish a memorandum of understanding with HQDA staff elements to delineate the supporting roles and responsibilities necessary to resolve the material weakness.		
1 st Qtr FY 11	Procure necessary funds through the development of a business case and presentation through the BRP.	ASA(FM&C), G-1	Working. Business case and ROM for INVEST developed. Will pursue resource s through INVEST or BRP.



Reporting Accurate Obligations for the Permanent Change of Station (PCS) Program

Date	Task Description	OPR	Status
1 th Qtr FY 11	Contract award for PCS pilot program for DAMPS PCS	ASA(FM&C), G-1	Potential to slip based on INVEST timeline.
1 st Qtr FY 11	Begin software development through engagement of PCS subject matter experts and pilot site personnel.	ASA(FM&C), G-1, HRC, G-4	
3 rd Qtr FY 11		ASA(FM&C), G-1	
3 rd Qtr FY 11	Completion of software development.	ASA(FM&C), G-1, HRC, DFAS	
4 th Qtr FY 11	Begin self assessment of timeliness of PCS obligations at the pilot sites.	ASA(FM&C), G-1, USAAA	
1 st Qtr FY 12	Request USAAA to audit results of pilot sites.	ASA(FM&C), G-1, HRC	
3 rd Qtr FY 12	Decision Point - Assessment of system to begin training and development to additional sites.	ASA(FM&C), G-1, HRC	
2 nd Qtr FY13	Receive results from USAAA and based on a statement of reasonable assurance; Resolution of material weakness.		
Targeted Correction Date : 2nd Qtr FY 13			



Material Weaknesses - Internal Controls Over Financial Reporting (ICOFR)

- Army currently reports 24 auditor-identified financial reporting material weaknesses for both General Fund (GF) and Working Capital Fund (WCF).
- These weaknesses transcend nearly every business process in the Army and manifest themselves in the financial statements.
- The Army's financial improvement plan (FIP) guides the actions necessary to correct these weaknesses.
- Functional proponents develop tactical plans to support the Army FIP.



FY09 Auditor Identified Weaknesses

- Financial Management Systems
- Fund Balance with Treasury
- Accounts Receivable
- Inventory and Related Property
- General Property, Plant, and Equipment
- Accounts Payable
- Environmental Liabilities
- Statement of Net Cost
- Intragovernmental Eliminations
- Abnormal Account Balances
- Accounting Adjustments/Other Accounting Entries
- Statement of Budgetary Resources
- Reconciliation of Net Cost of Operations to Budget
- Contingency Payment Audit Trails



Financial Management Systems (GF and AWCF)

Description: Army accounting systems lack a single, standard transaction-driven general ledger.

Date	Task Description	OPR	Status
2 nd Qtr FY11	Formally request an FFMIA compliance re-audit on PBUSE from AAA (Army GE FIP, WBS 3.4.4.14)	OASA(FM&C)	OASA(FM&C) is currently re-evaluating the AAA review of PBUSE. PBUSE will be subsumed by GCSS-A.
1 st Qtr FY 11	Full deployment of LMP (Army INV FIP, WBS 3.1.12.23)	AMC	LMP on schedule for 1 st Qtr FY 11 full deployment.
2 nd Qtr FY12	Full deployment of GFEBs (Army OM&S FIP, WBS 3.1.16.6)	OASA(FM&C)	GFEBs on schedule for 2 nd Qtr FY 12 full deployment.
4 th Qtr FY15	Full deployment of GCSS-A (Army OM&S FIP, WBS 3.1.16.8)	PEO EIS	GCSS-A on schedule for 4 th Qtr FY 15 full deployment.
	Targeted Correction Date: 4th Qtr, FY 15		



Fund Balance with Treasury (GF)

Description: Appropriation balances recorded in the accounting records do not agree with balances held at Treasury.

Date	Task Description	OPR	Status
4 th Qtr FY12	Implement sustainable process to report Fund Balance with Treasury (FBWT) to include the reconciliation between the Army's balance and the balance at the Department of the Treasury (Army FBWT FIP, WBS 3.5.1.8) Targeted Correction Date: 2nd Qtr, FY14	OASA(FM&C)	OASA(FM&C), OUSD(C), and DFAS have begun an intense effort to identify GF FBWT data, system, and process deficiencies. Effort will include a manual reconciliation of one month of one Treasury symbol to identify inputs and outputs of Treasury reconciliation process. Initial discovery effort should take 12-18 months.



Inventory (AWCF)

Description: The systems do not maintain historical cost data to comply with Statement of Federal Financial Accounting Standard No. 3. The systems also are unable to produce financial transactions using USSGL.

Date	Task Description	OPR	Status
1 st Qtr FY11	Value inventory at Moving Average Cost (MAC) for Depot Maintenance (Army Inventory FIP, WBS 3.1.2.1)	AMC	LMP deployed to AMCOM on 5/14/09. LMP is currently at 67% deployment and on schedule for 1 st Qtr FY11 full deployment.
3 rd Qtr FY11	Re-validate that installations are correctly performing physical inventory counts in accordance with AR 740-26 and other applicable guidance (Army Inventory FIP, WBS 3.1.9.3)	AMC	Awaiting verification from AMC G-3 to determine whether physical inventory reconciliations are occurring.
1 st Qtr FY13	Reconcile over-aged inventory in-transit (Army Inventory FIP, WBS 3.1.4.2)	AMC	LMP deployed to AMCOM on 5/14/09. LMP is currently 93% complete on reconciliation efforts. LMP is scheduled for 1 st Qtr
2 nd Qtr FY14	Monitor & achieve 100% visibility of inventory in-transit (Army Inventory FIP, WBS 3.1.4.1)	AMC	FY 11 full deployment. LMP deployed to AMCOM on 5/14/09. LMP is currently at 67% visibility of inventory in-transit. LMP is scheduled for 1 st Qtr FY 11 full deployment.
Targeted Correction Date: 4th Qtr FY15			23



Operating Materials and Supplies (GF)

Description: The systems do not maintain historical cost data to comply with Statement of Federal Financial Accounting Standard No. 3. The systems also are unable to produce financial transactions using USSGL.

Date	Task Description	OPR	Status
4 th Qtr FY11	Ensure adherence to governance requirements for field level physical inventory process. (Army OM&S FIP, WBS 3.1.1.6)	AMC	Inventories 31% complete as of 9/30/10. This task will move in tandem with 3.1.1.5 as needed.
4 th Qtr FY11	Reconcile and monitor in-transit OM&S in LMP (Army OM&S FIP, WBS 3.1.12.4)	AMC	Reconciliation of in-transit OM&S in LMP 6% complete as of 9/30/10. Ongoing process. Completion date to move to 4 th Qtr FY 11.
4 th Qtr FY11	Record a 100% revaluation allowance on OM&S received for disposal and post transactions to the excess accounts (USSGL 1513 or 1524) at MAC in LMP (Army OM&S FIP, WBS 3.1.14.1)	AMC	Revaluation allowances posted in LMP 19% complete as of 9/30/10. Ongoing process. Completion date to move to 4 th Qtr FY 11.
4 th Qtr FY12	Provide audit readiness validation plan (Inventory and Related Property) to OASA(FM&C) (Army OM&S FIP, WBS 1.7.3)	G-4	G-4 personnel turnover has caused delays in developing & finalizing the audit readiness validation plan.
2 nd Qtr FY14	Perform physical inventory counts in accordance with the AR 740-26 and other applicable guidance (Army OM&S FIP, WBS 3.1.1.5)	AMC	Inventories 31% complete as of 3/31/10 . Anticipate completion date to move right as far as 2 nd Qtr FY14.
	Targeted Correction Date: 4th Qtr FY15		



General PP&E - General Equipment (GF and AWCF)

Description: Data contained in property accountability systems is not accurate.

Date	Task Description	OPR	Status
2 nd Qtr FY11	Conduct review to verify the accuracy of the personal property data within PBUSE (SFFAS #6, SFFAS #3) (Army GE FIP, WBS 3.1.1.1.2.1.7)	AAA	PBUSE will be subsumed by GCSS-A.
2 nd Qtr FY11	Formally request an FFMIA compliance re-audit on PBUSE from AAA (Army GE FIP, WBS 3.4.4.14)	OASA(FM&C)	OASA(FM&C) is currently re-evaluating the AAA review of PBUSE. PBUSE will be subsumed by GCSS-A.
2 nd Qtr FY11	Assert Existence and Completeness (E&C) of quick win mission critical assets (Army GE FIP, WBS 3.1.1.1.2.8.1.2.1.1)	OASA(FM&C)	Travel teams deployed to conduct E&C discovery and evaluation work of Army defined "quick-win" asset (fire & rescue equipment).
Targeted Correction Date: 2nd Qtr FY 14			



General PP&E - Military Equipment (GF)

Description: Military Equipment is not recorded at acquisition or historical cost.

Date	Task Description	OPR	Status
Complete (4 th Qtr FY10)	Develop functionality of interim ME financial reporting solution (ME - FST) until GFEBS is fully deployed (3.14.5.1)	OASA(FM&C)	The Military Equipment - Financial Statement Tool (ME-FST) will produce the ME values reported in the Army's annual financial report. Currently the ME-FST is undergoing DIACAP certification and expects to receive an interim authority to operate in 1 st Qtr FY11.
2 nd Qtr FY11	Reconcile Military Equipment with Army logistical/ accountability and accounting systems of record (Army ME FIP, WBS 3.11)	Army G-4	Army G-4 and OASA(FM&C) are exploring mapping of data between ME-FST data and PBUSE.
2 nd Qtr FY 11	Assert Existence and Completeness (E&C) of quick win mission critical assets (Army ME FIP, WBS 3.13.10.1.2.1.1)	OASA(FM&C)	OASA(FM&C) and Army G-4 adjusted the ME "quick-win" assets to include 97% of Aviation Command assets.
	Targeted Correction Date: 4th Qtr FY14		



General PP&E - Real Property (GF and AWCF)

Description: Real Property is not recorded at acquisition or historical cost and did not include all costs

~~needed to bring the assets to a form and location suitable for their intended use.~~

Date	Task Description	OPR	Status
1 st Qtr FY 12	Obtain AAA certification that PRIDE Web substantially complies with all identified requirements based on the current version of the DFAS Blue Book and JFMIP (Army RP FIP, WBS 3.1.5.10)	ARNG	ARNG will work with GFEBs and OACSIM to determine the end state RP system solution.
1 st Qtr FY 12	Conduct FFMIA compliance audit on the added PRIDE Web enhancements and provide report on the system compliance status (Army RP FIP, WBS 3.1.5.11)	AAA	ARNG will work with GFEBs and OACSIM to determine the end state RP system solution.
4 th Qtr FY 12	Compile source documentation for all capitalized real property. (Army RP FIP, WBS 3.1.2)	OACSIM	OACSIM continues to execute the audit readiness handbook in support of improving real property data integrity.
4 th Qtr FY 12	Implement sustainable business process to report Real Property (Army RP FIP, WBS 3.1.3)	OACSIM	OACSIM continues to execute the audit readiness handbook in support of improving real property data integrity.
	Targeted Correction Date: 4th Qtr FY 13		



Environmental Liabilities (GF)

Description: The Army needs improvement in properly estimating and reporting its environmental liabilities.

Date	Task Description	OPR	Status
Completed (1 st Qtr FY 10)	Provide audit readiness validation plan (Environmental Closure Liabilities) to OASA(FM&C) (Army EL FIP, WBS 1.7.2.2)	OACSIM	OASA(FM&C) will complete the review of OACSIM's validation plan in 1 st Qtr FY 11.
1 st Qtr FY 11	Provide audit readiness validation plan for Military Equipment/Weapons Programs: Non-Nuclear Powered Military Equipment, Other National Defense Weapons Systems (Army EL FIP, WBS 3.15.4, 3.16.4)	OASA(ALT)	On June 2, 2010, FASAB issued Technical Release 11: Implementation Guidance on Cleanup Costs Associated with Equipment, which was effective upon issuance.
4 th Qtr FY11	Provide audit readiness validation plan for Active Installations-Installation Restoration Program (IRP) Building Demolition and Debris Removal (DB/DR), Active Installations Military Munitions Response Program (MMRP), Formerly Used Defense Sites (FUDS) IRP and BD/DR, FUDS MMRP, Non-Base Realignment and Closure (BRAC) Environmental Corrective Action (ECA), Non-BRAC Environmental Response at Operational Ranges, Non-BRAC Asbestos (Army EL FIP, WBS 3.1.6, 3.2.8, 3.3.5, 3.4.7, 3.5.5, 3.7.5, 3.8.4)	OACSIM	The Real Property and Installations Lifecycle Management Investment Review Board has suspended implementation of EL requirements in enterprise systems until further notice, pending additional guidance from the OUSD(C). When OACSIM receives additional guidance, they will further adjust the strategic plan.
Targeted Correction Date: 4th Qtr FY 12			



Intragovernmental Eliminations (GF and AWCf)

Description: DoD is unable to collect, exchange, and reconcile buyer and seller Intragovernmental transactions, resulting in adjustments that cannot be verified.

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full deployment of LMP (Army INV FIP, WBS 3.1.12.23)	AMC	LMP on schedule for 1 st Qtr FY 11 full deployment.
2 nd Qtr FY 12	Full deployment of GFEBS (Army OM&S FIP, WBS 3.1.16.6)	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 deployment. The IVAN program is being dismantled and Army is responsible for an enterprise solution. Treasury guidance will address information deficiencies & replace DD448 (MIPR) with a standard document for all Federal agencies. OASA(FM&C) is researching other requirements to address this weakness.
	Targeted Correction Date: 4th Qtr FY 12		



Accounting Adjustments (GF) / Other Accounting Entries (AWCF)

Description: DFAS made unsupported journal voucher entries (adjustments) in preparation of the GF and AWCF financial statements. The Army does not possess adequate support for these

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full deployment of LMP (Army INV FIP, WBS 3.1.12.23)	AMC	LMP on schedule for 1 st Qtr FY 11 full deployment.
2 nd Qtr FY 12	Full deployment of GFEBS (Army OM&S FIP, WBS 3.1.16.6)	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 full deployment.
Targeted Correction Date: 2nd Qtr FY12			



Date	Task Description	OPR	Status
Completed (3 rd Qtr FY 10)	<p>Accurately Record Accounts Receivable due to criminal and civil fraud recovery (Public) (DFAS AR Financial Improvement Plan, 1.2.9)</p> <p>Targeted Correction Date: 2nd Qtr, FY 13</p>	TJAG	OASA(FM&C) received signed MOU for the collection of Army procurement fraud recovery funds.



Accounts Payable (GF and AWCF)

Description: The Army is unable to properly account for and report Accounts Payable.

Date	Task Description	OPR	Status
2 nd Qtr FY 12	GFEBs release 1.3 to replace Computerized Accounts Payable System (CAPS) (Army Other FIP, WBS 3.6.4.5.7.4)	OASA(FM&C)	GFEBs release 1.2 subsumed CAPS functionality for current payables. Task was pushed to 1/31/12 to coincide with GFEBs deployment date.
	Targeted Correction Date: 3rd Qtr, FY 13		



Statement of Net Cost (GF and AWCF)

Description: The financial information contained in the Statement of Net Cost is not presented by programs that align with major goals and outputs described in the DoD strategic and performance plans required by the GPRA.

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full deployment of LMP (Army INV FIP, WBS 3.1.12.23)	AMC	LMP on schedule for 1st Qtr FY 11 full deployment.
2 nd Qtr FY 12	Full deployment of GFEBS (Army OM&S FIP, WBS 3.1.16.6)	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 full deployment.
	Targeted Correction Date: 2nd Qtr FY 12		



Abnormal Account Balances (GF and WCF)

Description: DFAS Indianapolis did not detect, report, or take action to eliminate abnormal balances included in the Army General Fund and Army Working Capital Fund accounting records.

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full deployment of LMP (Army INV FIP, WBS 3.1.12.23)	AMC	LMP on schedule for 1 st Qtr FY 11 deployment.
2 nd Qtr FY 12	Full deployment of GFEBS (Army OM&S FIP, WBS 3.1.16.6)	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 full deployment.
	Targeted Correction Date: 2nd Qtr FY12		



Statement of Budgetary Resources (GF and AWCF)

Description: The Army accounting systems do not provide or capture data needed for obligations incurred or prior year obligations recovered in accordance with OMB Circular No. A-11.

Date	Task Description	OPR	Status
1 st Qtr FY11	Assert Appropriations Received	OASA(FM&C)	OUSD(C) has provided resources to prepare appropriations received assertion package. Assertion of appropriations received began in 1 st Qtr FY 11.
2 nd Qtr FY 11	Complete discovery, testing and evaluation of GFEBS Wave 1 sites.	OASA(FM&C)	Completed initial testing efforts in August 2010. Re-testing is scheduled for 1 st Qtr FY 11.
2 nd Qtr FY11	Begin IPA-led SBR-related attestation examination of GFEBS Wave 1 sites	OASA(FM&C)	OASA(FM&C) working with OUSD(C) to establish this effort.
2 nd Qtr FY 12	Full deployment of GFEBS (Army OM&S FIP, WBS 3.1.16.6)	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 full deployment.
4 th Qtr FY13	Complete discovery of SBR assessable units. (Civilian Pay, Military Pay)	OUSD(C)	OUSD(C) has provided resources to conduct discovery efforts.
1 st Qtr FY 14	Initial assertion of GFEBS-only SBR Targeted Correction Date: 2nd Qtr FY 15	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 full deployment.



Reconciliation of Net Cost of Operations to Budget (GF and AWCF)

Description: The Army General Fund and Working Capital Fund are unable to accurately represent the relationship between budgetary obligations incurred and its Statement of Net Costs.

Date	Task Description	OPR	Status
1 st Qtr FY 11	Full deployment of LMP (Army INV FIP, WBS 3.1.12.23)	AMC	LMP on schedule for 1 st Qtr FY 11 deployment.
2 nd Qtr FY 12	Full deployment of GFEBS (Army OM&S FIP, WBS 3.1.16.6)	OASA(FM&C)	GFEBS on schedule for 2 nd Qtr FY 12 full deployment.
	Targeted Correction Date: 2nd Qtr, FY 12		



Contingency Payment Audit Trails (GF)

Description: The maintenance of substantiating documents by certifying and entitlement activities creates significant challenges in tracing audit trails for support of Army General Fund

Date	Task Description financial statements.	OPR	Status
2 nd Qtr FY11	Correct identified deficiencies in Contingency Payment Audit Trails (Army Other FIP, WBS 3.7.2.9)	OASA(FM&C)	97.6% of 206,000 disbursement vouchers included required documentation, signatures, and data elements when initially received by DFAS Rome.
2 nd Qtr FY11	Implement auditor recommendations from audit report A-2009-0173-ALL- Audit of controls over vendor payments -Kuwait (phase I-US Army Contracting Command, Southwest Asia, Camp Arifjan, Kuwait) (Army Other FIP, WBS 3.7.2.9.1)	OASA(FM&C)	Due to recent discussions between AAA and OASA(FM&C), this weakness may be closed out and re-opened as multiple material weaknesses, based on the results of an on-going AAA audit. OASA(FM&C) will continue to monitor progress until instructed otherwise by AAA.
	Targeted Correction Date: 2nd Qtr FY 11		



What's Next?

Our next SLSG is:

Jan 13, 2011

1300-1400

Pentagon Conference Center

Room B2

Thank you for your continued
support.